Calendar No. 621

108TH CONGRESS
2D SESSION

S. 2629

To amend the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to eliminate the coverage gap, to eliminate HMO subsidies, to repeal health savings accounts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 8, 2004

Mrs. BOXER (for herself and Ms. MIKULSKI) introduced the following bill; which was read the first time

JULY 9, 2004

Read the second time and placed on the calendar

A BILL

To amend the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to eliminate the coverage gap, to eliminate HMO subsidies, to repeal health savings accounts, and for other purposes.

1   *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3   **SECTION 1. SHORT TITLE.**

4   This Act may be cited as the "Closing the Coverage

5 Gap Act of 2004".

TITLE I—IMPROVEMENT OF MEDICARE PRESCRIPTION DRUG BENEFIT

SEC. 101. ELIMINATION OF COVERAGE GAP.

(a) IN GENERAL.—Section 1860D–2(b) of the Social Security Act, as added by section 101(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, is amended—

(1) in paragraph (1)(A)(ii), by striking "paragraph (6)" and inserting "paragraph (5)";

(2) in paragraph (2)(A), by striking "and up to the initial coverage limit under paragraph (3)";

(3) by striking paragraphs (3) and (4) and inserting the following:

"(3) PROTECTION AGAINST HIGH OUT-OF-POCK-ET EXPENDITURES.—

"(A) IN GENERAL.—The coverage provides benefits with cost-sharing that is equal to the greater of—

"(i) a copayment of $2 for a generic drug or a preferred drug that is a multiple source drug (as defined in section 1927(k)(7)(A)(i)) and $5 for any other drug; or

1   "(ii) coinsurance that is equal to 5

2   percent.

3   "(B) ADJUSTMENT OF AMOUNT.—For a

4   year after 2006, the dollar amounts specified in

5   subparagraph (A)(i) shall be equal to the dollar

6   amounts specified in this subparagraph for the

7   previous year, increased by the annual percent-

8   age increase described in paragraph (5) for the

9   year involved. Any amount established under

10   this clause that is not a multiple of 5 cents

11   shall be rounded to the nearest multiple of 5

12   cents."; and

13   (4) by redesignating paragraphs (5) and (6) as

14   paragraphs (4) and (5), respectively.

15   (b) CONFORMING AMENDMENT.—Section 1860D–

16 14(a) of such Act, as so added, is amended by striking

17 subparagraph (C) of paragraphs (1) and (2).

18   (c) EFFECTIVE DATE.—The amendments made by

19 this section shall take effect as if included in the enact-

20 ment of the Medicare Prescription Drug, Improvement,

21 and Modernization Act of 2003.

TITLE II—ELIMINATION OF HMO SUBSIDIES

SEC. 201. ELIMINATION OF MA REGIONAL PLAN STABILIZA-TION FUND.

Subsection (e) of section 1858 of the Social Security Act, as added by section 221(c) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, is repealed.

SEC. 202. ELIMINATION OF PREMIUM SUPPORT DEM-ONSTRATION PROGRAM.

Effective as if included in the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, subtitle E of title I of such Act is repealed and any provisions of law amended by such subtitle are restored as if such subtitle had not been enacted.

TITLE III—REPEAL OF HEALTH SAVINGS ACCOUNTS

SEC. 301. REPEAL OF HEALTH SAVINGS ACCOUNTS.

Section 1201 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 is repealed and any provisions of law amended by such section are restored as if such section had not been enacted.

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